



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 22, 1992

Mr. Paul C. Spor
General Manager
North Lily Mining Company
P. O. Box 421
Eureka, Utah 84628

Dear Mr. Spor:

Re: Conditional Approval of Permit Amendment, Supplemental Mine Waste
Dump Development, Tintic Heap Leach Project, M/023/007, Juab County,
Utah

The Division has completed its review of your March 23, 1992 response to our February 13, 1992 review of North Lily Mining Company's (NLMC) latest permit amendment request. The response has been determined conceptually complete and the majority of our technical concerns have been adequately addressed. Only a few questions/concerns remain. The following issues must be resolved before we can complete the review and approval process of this permit amendment:

1. ***R647-4-105 Maps, Drawings & Photographs - AAG***

Why do acreages measured off all appendix maps (except Eagle Dump & Colorado #1) differ substantially from the listing of projected acreages?

Why was Eureka Hill RR Grade omitted from the list of projected acreage to be disturbed (page 5)?

Why wasn't a post-reclamation map included for Eureka Hill RR Grade?

2. ***R647-4-110.5 Reclamation Plan, Revegetation Program - HWS***

Please change language under the section in the plan which addresses the seed rate and seed mix. The seed rate should be 20 lb/acre PLS, if drill seeded. The rate should be increased by 1/3, if broadcast. *Agropyron sativa*, under the seed mix for inaccessible areas, should be changed to *Agropyron smithii*.

Alfalfa hay mulch should be applied at the rate of 4,000 lbs/acre, and should be applied to all slopes of 2h:1v or less. The hay mulch should be crimped into the soil medium. This can be accomplished with a dozer having reasonably deep cleats or another piece of equipment with cleats or discs (where very coarse material will be encountered, discing is not advised).

3. ***R647-4-113 Reclamation Surety - AAG***

As noted in our partial approval letter dated March 4, 1992, there is sufficient reclamation surety in effect to cover an additional seven (7) acres of surface disturbance. Any disturbance above this amount will require a surety revision or contemporaneous reclamation of existing mining-related disturbances.

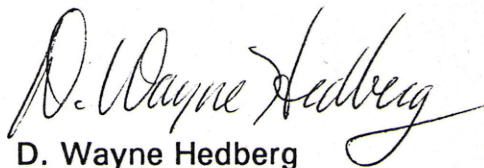
Does NLMC propose to increase their reclamation surety or continue to reclaim concurrently with mining in order to maintain a constant level of disturbed acreage? NLMC's response (March 23, 1992) describes 12.8 acres of projected disturbance for mining the additional dumps. At this time, the Division will not require an increase in the reclamation surety for this 12.8 acre proposal, provided NLMC agrees to reclaim (regrade) the disturbed areas concurrently, and the disturbed (unregraded) area does not exceed 7 acres at any time. This also assumes that NLMC will reseed all regraded areas this coming fall 1992.

If NLMC decides to amend/revise the permit application in the near future, to include additional mining disturbances, the Division will likely require an increase in the reclamation surety (or require that additional disturbed areas be reclaimed). A three-year monitoring period for evaluation of revegetation success is typically required for reclaimed areas. Should the initial revegetation efforts fail, sufficient surety must be retained to cover the costs of any supplemental reseeding efforts required during the 3-year interim period.

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Thank you for your continued cooperation in completing this permitting action. If possible, please provide a written response indicating your acceptance/rejection of the conditions of this approval by May 6, 1992. Please contact me or any of the Minerals staff if you have questions or concerns regarding the content of this letter.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Kiran Bhayani, DWQ
Lowell P. Braxton, DOGM
Minerals staff (route)
M023007.1